

### Subpart C—Debit Entries

#### § 370.20 What requirements apply if I want to authorize a debit entry to my deposit account?

(a) *General.* You may pay for a security and related fees by authorizing us to initiate one or more debit entries to your deposit account. For a purchase of a book-entry security to be held in an investor account maintained by us, you must be named on the investor account. The authorization must be accomplished only through forms or means approved by us.

(b) *Single-entry and recurring debit entries.* You only may authorize single-entry debits for purchases of book-entry securities held in *TreasuryDirect*. You only may authorize recurring debit entries for purchases of definitive savings bonds.

(c) *Credit entries to be made to same deposit account.* To the extent that payments by us with respect to a security are to be made through credit entries, you must receive debit and credit entries in the same deposit account.

(d) *Signature.* The authorization must have your signature and that of any other person whose signature is required to withdraw funds from the deposit account. We need not verify your identity or the authenticity of your signature.

#### § 370.21 Are there any requirements related to a prenotification entry?

(a) *Use of prenotification in our discretion.* In our discretion, we may initiate a prenotification entry to a financial institution prior to sending a debit entry. A prenotification is a zero-dollar ACH entry that can help us determine whether there might be problems with sending a subsequent debit entry.

(b) *Requirements placed upon financial institution that receives a prenotification.* If sent, a financial institution must respond to a prenotification within the time frame for such responses as established by the National Automated Clearing House Association. If the receiving financial institution does not respond to the prenotification message within the specified time period, we may interpret the nonresponsiveness as the financial institution's agreement to this subpart. Furthermore, a finan-

cial institution warrants by its non-responsiveness that the deposit account number and the type of account contained in the prenotification entry message was accurate as of the moment the financial institution received it.

#### § 370.22 What requirements apply to a financial institution that debits a deposit account?

A financial institution that debits a deposit account upon receiving a debit initiated by us agrees to the provisions of this subpart. A financial institution that does so also warrants that it has the authority to receive debit entries.

#### § 370.23 What other requirements apply to a financial institution?

The financial institution warrants that it will comply with all requirements imposed upon Receiving Depository Financial Institutions under the Operating Rules of the National Automated Clearing House Association, as modified by these regulations and other law.

#### § 370.24 What right does the Bureau of the Public Debt have to terminate or suspend debit entries?

We may terminate or suspend the availability of one or more debit entries in any case or class of cases, and may do so without notice at any time. A decision to terminate or suspend the availability of debit entries is in our sole discretion and is final.

#### § 370.25 What rights do I have to terminate or suspend debit entries?

(a) *General.* If you are an investor account owner or deposit account owner, you generally may terminate or suspend one or more debit entries by notifying us orally or in writing at least three business days before the scheduled date of a transfer. In response to an oral notice, we may require you to give written notice, to be received by us within fourteen days of an oral notice. An oral notice ceases to be binding after fourteen days if you fail to provide the required written confirmation. A suspension will remain in effect for the duration you specify, but for no more than six months. The termination and suspension methods need

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not be recited in the authorization. These termination or suspension rights are in addition to those that you may have through your financial institution under Regulation E of the Board of Governors of the Federal Reserve System (12 CFR part 205).

(b) *Exception.* If you submit a debit entry authorization in conjunction with a Treasury auction tender for the purchase of a book-entry security, you cannot terminate or suspend a debit entry after the auction closes.

### **§ 370.26 What limitations exist on liability?**

If we sustain a loss because a financial institution fails to handle an entry in accordance with this part, the financial institution is liable to us for the loss, but not beyond the amount of the debit entry. In no instance does our liability extend beyond the amount of the debit entry.

## **Subpart D—Electronic Submission of Transaction Requests Through the Bureau of the Public Debt**

### **§ 370.35 Does the Bureau of the Public Debt accept all electronically signed transaction requests?**

An electronic signature will not be accepted if it has not been accomplished through a method that has been approved for specific purposes by us.

### **§ 370.36 When does a transaction request become effective?**

Except for auction bids of U.S. securities or unless otherwise agreed, a transaction request becomes effective at the moment we send a confirmation message. In no instance does a transaction request become effective before we actually receive the request.

### **§ 370.37 Where is the point of transaction for an electronically submitted transaction request?**

For jurisdiction and venue purposes, the point of transaction for a transaction request handled pursuant to this subpart is Parkersburg, West Virginia, regardless of from where the transaction request is transmitted or where

the transaction request is actually processed.

### **§ 370.38 What is the legal effect of an electronic signature?**

An electronic signature and any electronic message to which it is affixed or attached may not be denied legal effect, including legal effect as a signature, a writing, or an original, solely because the signature or record is in electronic form.

### **§ 370.39 To what extent is a digital signature admissible in any civil litigation or dispute?**

In asserting a digital signature against you in any civil litigation or dispute, extrinsic evidence of authenticity as a condition precedent of admissibility (such as testimony about the scientific validity of digital signatures) is not necessary to establish:

(a) That a digital signature corresponds to a specific public key pair, and;

(b) That an electronic message to which the digital signature is affixed has not been altered from its original form.

### **§ 370.40 Can I be held accountable if my negligence contributes to a forged signature?**

(a) *General.* If your failure to exercise ordinary care substantially contributes to the submission of a forged signature, then you cannot claim that the signature is a forgery. However, we cannot invoke this section against you if we cannot first establish that we were reasonable in relying upon the signature. If we can do so, you bear the burden of production and the burden of persuasion in establishing your exercise of ordinary care. If you cannot do so, then you cannot claim that the signature is a forgery.

(b) *Exception.* This section has no application in any dispute involving a debit authorization or credit card transaction.

### **§ 370.41 What limitations exist on liability?**

In no instance does our liability extend beyond the amount of the transaction.